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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000767

SIPDIS

EUR/SCE

E.O. 12958: DECL: 10/31/2018

TAGS: PGOV PREL HR

SUBJECT: AMBASSADOR HOLBROOKE VISITS ZAGREB, OCTOBER 29-31

Classified By: Vivian Walker, DCM, for reasons 1.4 (b) & (d).

- 11. (SBU) Summary: During an Oct. 29-31 visit to Zagreb, his first in more than eight years, former Assistant Secretary of State Richard Holbrooke praised Croatia for its successful "transformation toward a free and open society." Holbrooke was in town to deliver a speech at a private business conference sponsored by the Hungarian owned tourism company "Adriatiq Islands Group." Holbrooke also attended a dinner to meet some of Croatia's new political and business leaders hosted by the Ambassador, who additionally accompanied him to separate meetings with President Stjepan Mesic and Prime Minister Ivo Sanader. Press coverage, to include a two page interview in a major daily and brief television reports, was uniformly positive, emphasizing Holbrooke's very upbeat impression of Croatia today as well as his concern about stability in the region. End Summary.
- 12. (SBU) In private meetings, public remarks and press encounters, Holbrooke consistently praised Croatian's emergence as a free, open and democratic society, calling its tranformation something "remarkable to see." He commented to Prime Minister Sanader and then later to the press that coming to Croatia this time was "like coming to a different country" than the Croatia he had experienced during the 1990's. Holbrooke highlighted Croatia's NATO invitation, the EU Accession process and its recognition of Kosovo as its most significant accomplishments. He also praised Croatia's positive role in the region, to include its recognition of Kosovo and active support for Bosnia's territorial integrity. He warned, however, that the situation in Bosnia could pose a threat to stability in the region and therefore merited close attention.
- ¶3. (C) In fact, recent developments in Bosnia dominated the conversation with President Mesic, who provided a very gloomy perspective on developments there, calling it the "biggest problem in the region." He described Dodik as carrying out "Milosevic's and Karadzic's policies, except without tanks and cannons." Dodik, Mesic asserted, plans to break away from Bosnia and join Serbia, with "dire consequences": Croats in Bosnia would seek to attach themselves to Croatia, resulting in the creation of a "small Muslim state" that would "become a safe haven for fundamentalists, a new center for terror, a new Palestine in the heart of Europe." Only increased U.S. and European engagement on this issue—to include a "Dayton II"—can thwart Serbia's "imperialistic dream of expansion."
- ¶4. (C) Mesic went on to argue that the best way to avoid the "creation of a state within a state" is the "cantonization" of Bosnia. Each "canton" would be home to a mix of Croatian, Serbian and Muslim communities. Mesic, had little to say, however, about how likely a scenario would work. Mesic made no mention of any Croatian intention to act unilaterally in the event of RS secession, stressing repeatedly the need for action by the international community.
- 15. (C) Mesic voiced considerable frustration with the

behavior of Serb and Bosniak leaders Dodik and Silajdzic, and High Representative Lajcak's inability to make any headway with them. (Dodik, Mesic grumbled, "uses (Lajcak) to shine his shoes," while Silajdzic is bent on "radicalizing" the situation.) Mesic also was bluntly critical of the Bosnian Croat community, describing Bosnian Cardinal Puljic as "not fit to be even a parish priest."

- 16. (C) By contrast, Sanader was considerably more restrained, rejecting Mesic's alarmist vision. While he agreed that the situation in Bosnia should be the focus of serious international attention, Sanader did not think that Dodik would go so far as to declare independence and secede. In Sanader's view Dodik simply does not "have the power to hold a referendum to merge with Serbia." "There will be no partition of Bosnia. Dodik's dream will not be realized," he said firmly. The only way Dodik might remotely pull this off, Sanader added, was in the unlikely event that the Russians were to establish a strong economic presence in the RS.
- 17. (C) According to Sanader, the key question remains the status of Bosnian Croats. If their share of the power would match that of the Muslims and the Serbs, then the resultant political balance would stabilize Bosnia. He urged that the Bosniak-Croat Federation be adjusted to give the Croats equal representation among ministers. Sanader reiterated his fear that if the Bosnian Croat feel they have no future in Bosnia and leave for a life in a soon-to-be NATO and EU member Croatia, Bosnia would not hold together with just Serbs and Bosniaks.

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18. (C) Sanader stressed the other key to resolving tensions in Bosnia, is greater international awareness and involvement, beginning with the recognition that "Bosnia is unfinished business." Sanader lamented that his efforts to get more attention for Bosnia from like-minded center-right European leaders had so far gotten little response. In sum, Sanader urged: sending a clear message to Dodik that there will be no referendum and no partition; ensuring that within the Federation that Bosnian Croats would have equal rights and a voice in the governing process; and keeping the High Representative in place. Sanader noted that he was "totally against" OHR closure. Ultimately, Sanader concluded, while Croatia's future is not threatened by problems in Bosnia and the region, Croatia must be "more involved than ever before" in the search for a solution. Bradtke